

# War, Oil and a Ferry: Why a Constrained Budget Makes the Case for a Strangford Crossing Stronger, Not Weaker

---

31 March 2026 | Kevin Barry BSc(Hons) MRICS, Campaign Lead

*"If they don't find a way of working better together, to actually deliver us the outcomes we need, well then this place is going to face some huge difficulties." -- David Sterling, former Head of the Northern Ireland Civil Service, The Irish News*

The words above, spoken by David Sterling -- the most senior civil servant Northern Ireland has produced in the current era -- were reported in The Irish News. They were not directed at the Strangford Lough Crossing. But they could have been written with it in mind.

The campaign for a permanent crossing of Strangford Lough has, since its inception, documented a structural governance failure: the Department for Infrastructure refuses to commission an independent feasibility study on the basis of evidence that has never been independently tested. Ministerial language has shifted -- Minister Kimmins MLA stated in the Assembly on 3 February 2026 that she was happy to keep the matter under review -- but institutional delivery has not followed. That gap, between political openness and departmental action, is precisely what Mr Sterling describes.

Now, with global instability pushing oil prices upward and construction inflation already embedded in DfI's own capital programme, the governance question becomes more acute. Does a constrained budget weaken the case for a feasibility study? The documented evidence says the opposite. It strengthens it materially.

## The Department's Budget Position: The Numbers on Record

---

The starting point is not assertion. It is documentation. The DfI Minister's First Day Brief, dated February 2025 and disclosed under Freedom of Information (reference DFI-20250054), sets out the following.

DfI's forecast resource requirements for 2024-25 were £676.6 million. The opening budget allocation was £559.5 million -- a shortfall of £117.1 million, or 17.3% of identified need. The draft resource budget for 2025-26 of £633.3 million is described in the document itself as still 8% below what is required to deliver everything identified.

On the capital side, DfI's draft capital budget for 2025-26 of £932.7 million is described as the largest capital budget ever proposed for any Northern Ireland Civil Service Department. Yet capital bids submitted for the same year totalled £1,430 million. The gap between what was available and what was needed was £497.3 million -- in a single financial year.

The document is explicit: prioritisation of capital schemes into future years will be critical to manage within the budget position.

Then Storm Eowyn struck in January 2025. Additional capital costs associated with the storm were estimated at approximately £8 million at the time of the brief, with investigations ongoing. NI Water reported a further resource pressure of between £7 million and £8 million from the same event.

This is the pre-existing structural position. Before a single barrel of oil was disrupted by a single conflict.

## What Construction Inflation Has Already Done to DfI's Own Projects

---

The campaign does not need to theorise about the effect of inflation on infrastructure costs. DfI's own portfolio provides the evidence.

The Lagan Pedestrian and Cycle Bridge, referenced in the Minister's First Day Brief (DFI-20250054), had its cost estimate revised from £12.1 million to £24 million -- a near-doubling of the original City Deal allocation. The document attributes this explicitly to significant inflationary pressures and engineering challenges following detailed design work.

NI Water's Price Control 21 Mid Term Review, also referenced in the same document, saw the Utility Regulator uplift the PC21 funding outlook from £2.1 billion to £2.37 billion -- an increase of £270 million on a single programme -- solely to adjust for the effect of rising inflation on capital costs.

These are not projections or theoretical modelling. They are documented outcomes from DfI's existing portfolio, recorded in DfI's own internal brief, before any further deterioration in the geopolitical environment.

Middle East instability and sustained oil price pressure will transmit further into construction costs through diesel, bituminous surfacing materials, steel, cement, and haulage. Every road maintenance contract, every capital scheme, every project in DfI's programme is exposed. The Strangford Ferry Service -- a fuel-consuming, staff-dependent operation making approximately 22,000 sailings per year -- is exposed too.

## The Ferry: A Cost That Rises Every Year and Creates Nothing

---

The ferry subsidy figures are a matter of public record, disclosed under Freedom of Information reference DFI-2024-0366. They are set out below.

Year	Operating Costs (£k)	Income (£k)	Net Subsidy (£k)
2016/17	2,492	1,241	1,251
2017/18	2,771	1,266	1,505
2018/19	2,816	1,291	1,525
2019/20	2,842	1,233	1,609
2020/21	2,972	772	2,200
2021/22	3,092	1,315	1,777
2022/23	3,300	1,350	1,950
2023/24	3,520	1,434	2,086

*Source: Freedom of Information Disclosure DFI-2024-0366, Department for Infrastructure.*

The pattern is unambiguous. Operating costs rose from £2,492,000 in 2016/17 to £3,520,000 in 2023/24 -- an increase of £1,028,000, or 41.3%, over seven years. Income rose from £1,241,000 to £1,434,000 over the same period -- an increase of £193,000, or 15.6%. The gap between cost escalation and income growth is widening year on year.

The ferry is a fuel-consuming, labour-intensive service. It has no terminus in a capital asset. Every pound spent on it is a recurring revenue liability. In an environment of rising oil prices and public sector wage pressures, those costs will not stabilise. They will not fall. They will continue to rise.

Over 30 years, on current figures, the cumulative net cost to the public purse exceeds £70 million. That is £70 million with nothing to show for it at the end -- no asset, no connectivity improvement, no infrastructure. Simply a recurring cost for a service that, by DfI's own traffic data, carries approximately 650 vehicles per day and operates at a maximum actual utilisation of approximately 34%.

## **The Feasibility Study Is Not a Capital Commitment**

---

Here is the governance confusion that this campaign has consistently identified, and which the budget pressure argument cannot change.

A feasibility study is not a capital commitment. It is a revenue expenditure item. Its estimated cost, based on comparable independent transport appraisal studies, is £750,000 to £1,000,000. That is approximately five months of the net annual ferry subsidy at the 2023/24 rate.

DfI's standing institutional position, as set out in correspondence reference TOF-0467-2025 (Sian Kerr, Director, Transport Planning and Policy, 24 October 2025), refuses to commission that study on the basis that the crossing lacks sufficient economic justification. The circularity of this is documented and explicit: the Department declines to establish economic justification through the very instrument -- a feasibility study -- that exists precisely to test whether such justification exists.

The Department's £650 million cost estimate, which underpins its position, was described by its own author -- Mark McPeak, Divisional Roads Manager, Southern Division -- as a guesstimate in an internal document (Freedom of Information disclosure DFI-2024-0412, 7 August 2024). The comparable Rose Fitzgerald Kennedy Bridge in Wexford -- 887 metres, crossing a comparable tidal waterway, built by BAM Ireland, the same contractor constructing the Narrow Water Bridge -- cost the equivalent of approximately £119,500 per metre in 2025 values. DfI's guesstimate equates to significantly more per metre. That estimate has never been independently tested.

In a constrained budget environment, the argument against spending £750,000 to £1,000,000 on a revenue study -- when the alternative is to continue indefinitely with a fuel-dependent service whose operating costs have risen 41.3% in seven years -- does not become stronger. It becomes weaker.

## What David Sterling's Observation Means for This Campaign

---

Mr Sterling's remark -- that parties must find a way of working better together to deliver outcomes or Northern Ireland faces huge difficulties -- is made against the backdrop of the governance record this campaign has documented.

Minister Kimmins MLA has expressed openness. The Assembly recorded that openness on 3 February 2026 (Northern Ireland Assembly Official Report (Hansard), Volume 188, No. 2). DfI's institutional position remains a formal refusal. The Raising a Concern investigation was closed by the same Directorate that produced the original advice, with no independent external scrutiny at any stage (Sian Kerr, Director, Transport Planning and Policy, letter dated 19 January 2026). DfI operates the ferry, produced the cost guesstimate, advised against a study, and investigated its own conduct. No independent body has assessed the conflict of interest at any point.

That is not a description of a Department working to deliver outcomes. It is a description of institutional resistance absorbing political openness -- precisely the pattern Mr Sterling characterises as leading to huge difficulties.

The macroeconomic environment -- rising construction costs, compressing capital headroom, a fuel-dependent service with an escalating subsidy -- does not provide DfI with a stronger basis for continued refusal. It provides a stronger basis for the campaign's core argument: that the public interest is not served by continuing indefinitely with a recurring, inflationary liability rather than commissioning an evidence-based assessment of the alternative.

## The Path Forward

---

Two councils -- Ards and North Down Borough Council (late March 2026) and Newry, Mourne and Down District Council (expected mid-April 2026) -- will shortly represent both sides of the Lough in formally supporting the feasibility study. Chris Hazzard MP has sought a direct meeting with Minister Kimmins MLA. The Eastern Transport Plan 2035 consultation remains open as the procedural vehicle through which the crossing can be formally identified as a scheme requiring further assessment.

The blended funding architecture proposed through the UK Internal Market Act 2020, section 50, and the Irish Government's Shared Island Fund -- which has been doubled to a total of €2 billion through 2035 -- means that the feasibility study, and any subsequent construction, need not be funded solely from DfI's constrained capital budget. The Narrow Water Bridge, at approximately £102 million and funded with Irish co-investment, is the directly comparable precedent. It is currently under construction.

The governance question posed by Mr Sterling is a real one. The various parties must find a way of working better together to deliver outcomes. In the specific context of this campaign, that means one thing: a Ministerial direction to commission a TAG-compliant independent feasibility study, conducted in accordance with DfI's own Transport Appraisal Guidance framework.

Until that direction is given, political openness and institutional delivery will remain on separate tracks. And a fuel-dependent ferry, subsidised at over £2 million per year and rising, will continue to serve as Northern Ireland's answer to a one-kilometre gap in its only coastal strategic road.

## Primary Sources and References

All factual claims in this post are traceable to named, dated, retrievable primary sources. No claim is made without a named source.

*DfI Minister's First Day Brief, February 2025 (Freedom of Information disclosure DFI-20250054). Department for Infrastructure. Contains capital budget figures, Storm Eowyn cost estimates, Lagan Bridge cost revision, and NI Water PC21 inflation uplift.*

*Freedom of Information Disclosure DFI-2024-0366. Department for Infrastructure. Annual ferry operating costs, income and capital costs 2016/17 to 2023/24.*

*Freedom of Information Disclosure DFI-2024-0412. Department for Infrastructure. Internal memo drafted by Mark McPeak, BEng(Hons) CEng MICE MStructE, Divisional Roads Manager, Southern Division, 7 August 2024; cleared by David Porter, Head of Division, 30 August 2024. Contains 'guesstimate' characterisation of £650 million cost estimate.*

*Northern Ireland Assembly Official Report (Hansard), 3 February 2026, Volume 188, No. 2. Adjournment Debate, A20 Portaferry Road. Contains Minister Kimmins MLA's Assembly statement.*

*DfI Correspondence, reference TOF-0467-2025, 24 October 2025. Sian Kerr, Director, Transport Planning and Policy Directorate, Department for Infrastructure. Most recent formal institutional refusal of feasibility study.*

*DfI Correspondence, reference COR-0002-2026, 22 January 2026. Minister Kimmins MLA to Councillor Joe Boyle, SDLP. Written rejection of feasibility study request.*

*Sian Kerr, Director of Transport Planning and Policy, DfI. Letter to Kevin Barry, 19 January 2026. Closure of 'Raising a Concern' investigation with no findings upheld.*

*David Sterling, former Head of the Northern Ireland Civil Service. Remarks reported in The Irish News by David McCann, political columnist. Photograph by Colm Lenaghan. Publication date: March/April 2026 (exact date to be confirmed from full article).*

*HITRANS Corran Fixed Link Study (Final Report). Highlands and Islands Transport Partnership. Held within Strangford Lough Crossing Campaign project archive.*

*NI Water Price Control 21 Mid Term Review. Utility Regulator, published 30 September 2024. Referenced in DFI-20250054.*

### Strangford Lough Crossing Campaign

[www.strangfordloughcrossing.org](http://www.strangfordloughcrossing.org)

© March 2026 -- All rights reserved